

VIRGINIA LOTTERY
Gaming Compliance Committee
October 2, 2024

The Virginia Lottery Gaming Compliance Committee met on October 2, 2024, at 9 a.m. at Lottery Headquarters in Richmond, Va.

Members Present: Orrin Gallop, Chairman
 Jonathan Comer
 Scott Price
 Ferhan Hamid, Board Chairman

Absent: Adam Tolbert

Staff Present: Khalid Jones, Executive Director
 Amy Dilworth, General Counsel
 Deborah Courtney, Deputy Executive Director of Finance and
 Administration
 Ray Dunkle, Deputy Executive Director of Gaming Compliance
 Tony Russell, Deputy Executive Director of ITS and Operations
 Robert Fontaine, Deputy General Counsel for Gaming
 Jo Murphy, Executive Assistant

Chief Gallop, chairman, presided, and Jo Murphy was the recording secretary.

Call to Order

Chief Gallop called the meeting to order and noted that a quorum was present.

Minutes

On motion duly made by Mr. Price and seconded by Mr. Comer, the committee recommended that the Board approve the minutes from the Gaming Compliance Committee meeting held on June 18, 2024, as presented.

Gaming Compliance Committee Charter Update

On motion duly made by Mr. Comer and seconded by Mr. Price, the committee recommended that the Board approve the revised Gaming Compliance Committee Charter, as presented.

Norfolk/Petersburg/Portsmouth Update

Ms. Dilworth said that the City of Petersburg will have its referendum on the ballot on November 5, 2024.

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Ms. Dilworth said that there has been some activity with Norfolk, and it has been covered widely in the press. She said that we have conveyed to Boyd Gaming, the selected casino operator, and the Pamunkey Indian Tribe that they need to move quickly. She also said that the law requires issuance of a casino license before the deadline of five years from when the referendum was certified. That puts the deadline in November 2025. The law permits the Lottery up to 12 months to complete the application process, the associated investigations and for the Board to issue the license. Based on the timing, a special Board meeting may need to be scheduled if approval cannot take place at a regularly scheduled Board meeting. This detail will be included in the timeline since the Board reviews the materials and makes the ultimate decision. After the Board makes its decision, Mr. Dunkle and his team will proceed with all action items. Chief Gallop asked if we feel that we are on schedule. Mr. Dunkle said that Boyd Gaming is well organized, and they have started providing all the necessary information from a licensing perspective. Ms. Dilworth said that Boyd Gaming is a well-established company that runs other casinos. She said they are aware of how to work through the process. She also said that they have been very communicative with the team. Mr. Dunkle said that his team has worked with Boyd Gaming in the past in their sports betting capacity.

Chief Gallop asked if Portsmouth must have a hotel within five years. Ms. Dilworth said that the original plans indicated that they would have a hotel, but a hotel is not necessary to the gaming operation.

Joint Subcommittee to Study the Feasibility of Establishing the Virginia Gaming Commission Update

Mr. Jones provided an update on the Joint Subcommittee to Study the Feasibility of Establishing the Virginia Gaming Commission. He noted that everything that he will discuss is public information. He provided the Board members with a copy of the presentation given by Guidehouse on August 21, 2024. Mr. Jones focused on the slide that provided an overview of the current operating model as well as four potential operating models. The conversation has largely centered on whether there will be one overarching organization that oversees every aspect of the regulatory framework for gaming including the Lottery or whether the Lottery would be a stand-alone agency. In the Lottery-as-stand-alone model, the creation of the Virginia Gaming Commission would oversee all other forms of gaming. Mr. Jones said that the recommendation from Guidehouse on August 21, 2024, was the Lottery as a stand-alone agency and the creation of the Virginia Gaming Commission to oversee everything else. Mr. Jones said that there are pros and cons to each model. He also said that the agency's position is that we are prepared to faithfully execute whatever decision is made. We will marshal our resources and expertise to a new agency or any existing agency that needs it. Chief Gallop asked about the timing of the decision and the time needed for implementation. Ms. Dilworth said that implementation would be completed two years from the date that the legislation passes.

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Public Comment

None.

Closed Meeting

Mr. Price made the following motion, which was seconded by Mr. Comer.

In accordance with the provisions of Virginia Code section 2.2-3711.A.17, I move that the Committee convene a closed meeting for the purpose of discussion, consideration or review of:

- investigations of sports betting and casino licensees and permittees;

Reconvened Meeting

Following its closed meeting, the Committee reconvened in open session. Mr. Comer read the following certification for the closed meeting:

WHEREAS, the Virginia Lottery Gaming Compliance Committee has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Committee that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Virginia Lottery Gaming Compliance Committee certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Committee.

By roll call, all members in the room voted in the affirmative that the certification was accurate as read.

Next Meeting

Chief Gallop said that this is the last committee meeting scheduled for 2024. The next meeting date will be determined once the 2025 Board meetings are in place.

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Adjournment

There being no further business to come before the Committee, the chairman declared the meeting adjourned.

Khalid R. Jones, Secretary

Orrin Gallop, Chairman